

Message Text

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ACTION NEA-16

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FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 6706

INFO AMEMBASSY SEOUL

S E C R E T CAIRO 3243

E.O. 11652: GDS

TAGS: PFOR EG

SUBJ: GOE REQUEST OF ROK

1. SUMMARY: NEW ROK CONSUL GENERAL CHANG HAS MET WITH FAHMY AND HEGAZI AND HAS DISCUSSED WITH THEM NORMALIZATION OF RELATIONS BETWEEN THE TWO COUNTRIES. ALTHOUGH FAHMY NOTED NORMALIZATION ON POLITICAL LEVEL WILL TAKE TIME, HE INDICATED INTEREST IN MOVING AHEAD ON ECONOMIC LEVEL AND GAVE CHANG LONG SHOPPING LIST OF ECONOMIC HELP GOE WOULD LIKE ROK TO OFFER. CHANG NOTES LIST LIKELY BE BEYOND SOUTH KOREA'S ECONOMIC CAPABILITIES, BUT OFFERED PERSONAL SUGGESTION THAT GOE SHOULD UNDERTAKE ACT AS BROKER TO SELL SOUTH KOREAN PRODUCTS IN EUROPE, SOVIET BLOC, AFRICA AND ELSEWHERE AND RECEIVE COMMISSION PAYABLE IN HARD CURRENCY FOR SUCH SERVICE. EGYPTIANS ARE LOOKING INTO THIS. END SUMMARY.

2. TO SUCCEED AMBASSADOR WOONSANG CHOI, WHO IS SCHEDULED TO BE TRANSFERRED TO MOROCCO, DR. WEE DON CHANG ARRIVED ABOUT TWO WEEKS AGO TO BE THE NEW ROK CONGEN IN CAIRO WITH RANK OF AMBASSADOR. FROM THE OUTSET, IT APPEARS THAT CHANG'S OFFICIAL SECRET

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TREATMENT BY THE EGYPTIAN AUTHORITIES IS AN IMPROVE-

MENT OVER THAT ACCORDED HIS PREDECESSOR. WHEREAS CHOI COULD NEVER GET TO SEE ANYONE ABOVE UNDER-SECRETARY LEVEL IN MFA, CHANG HAS ALREADY BEEN RECEIVED BY FOREIGN MINISTER FAHMY AND, SEPARATELY, BY DEPUTY PRIME MINISTER HEGAZI. BOTH MEETINGS WERE PUBLICIZED.

3. CHANG TELLS US IN CONFIDENCE THAT DURING HIS MEETING WITH FAHMY, THE MINISTER INDICATED THAT A NORMALIZATION OF RELATIONS SHOULD TAKE PLACE ON SEPARATE ECONOMIC AND POLITICAL LEVELS. ON THE POLITICAL LEVEL THIS WOULD TAKE TIME. ON THE ECONOMIC LEVEL, IT COULD BEGIN WITHOUT DELAY.

4. IN THE LATTER CONTEXT, FAHMY ASKED THAT THE ROK CONSIDER THE FOLLOWING ECONOMIC ASSISTANCE FOR EGYPT:

A. A LONG-TERM COMMODITY OR PROGRAM LOAN OF BETWEEN \$20-25 MILLION.

B. FINANCIAL AND TECHNICAL ASSISTANCE IN CONSTRUCTING SHIPYARD FACILITIES IN EGYPT FOR TANKER, BULK CARRIER AND CARGO SHIPS AMOUNTING TO \$15 MILLION.

C. A JOINT VENTURE TO CONSTRUCT A DOCK YARD IN EGYPT CAPABLE OF HANDLING VESSELS OF BETWEEN 30-40,000 TONS.

D. COOPERATION IN A JOINT VENTURE IN EGYPT FOR FISHING, CHANDLERING AND BUNKERING ACTIVITIES FOR THE EGYPTIAN FISHING FLEET.

E. SUPPLY EGYPT WITH CEMENT, REINFORCED AND FERTILIZERS UNDER SPECIAL FAVORABLE CONDITIONS.

F. INCREASED COMMERCIAL EXPORT OF PHOSPHORIC AND CIGARETTE FILTERS AND RAYONS FOR EGYPT.

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G. MAKE A CONTRIBUTION TO MADAME SADAT'S WAFI-AL-AMAL SOCIETY. NOTED IT IS HOPED THAT \$100 MILLION MAY BE COLLECTED FOR THIS PURPOSE, FAHMY STRESSED THAT FRG, FRANCE AND OTHERS HAVE ALREADY MADE DONATIONS OF \$1 MILLION OR LESS.

5. WITHOUT SPECIFICALLY INDICATING THAT ABOVE IS A SHOPPING LIST, FAHMY ASKED ROK TO SEE WHAT

IT CAN DO TO HELP FULFILL THESE REQUIREMENTS. CHANG POINTED OUT THAT SOUTH KOREA IS CURRENTLY FINANCIALLY PRESSED AS A RESULT OF INABILITY TO EXPORT ITS PRODUCTS FOLLOWING DOLLAR DEVALUATION AND THAT ASSISTANCE OF MAGNITUDE FAHMY REQUESTED WAS NOT LIKELY TO BE WITHIN ROK CAPABILITY.

6. CHANG MADE A SUGGESTION, HOWEVER, THAT PERHAPS GOE MIGHT AGREE TO ACT AS MIDDLE MAN FOR THE SALE OF SOUTH KOREAN PRODUCTS IN EUROPE, EASTERN BLOC COUNTRIES, AFRICA AND ELSEWHERE. GOE MIGHT TAKE COMMISSION OF, SAY, 30 PERCENT FOR THIS SERVICE AND THUS, AS CHANG WHIMSICALLY PUT IT TO THE AMBASSADOR, "EARN ITS WAY." FAHMY APPARENTLY LIKED THE IDEA AND INSTRUCTED HIS SUBORDINATES TO DISCUSS IT WITH HEGAZI'S MINISTRY. CHANG HAS TOLD AMBASSADOR THAT THIS WAS HIS PERSONAL IDEA AND THAT HE TOO IS NOW EXPLORING IT WITH HIS GOVERNMENT.

7. CHANG BELIEVES GOOD RECEPTION HE HAS THUS FAR RECEIVED HERE IS IN CONTEXT OF RECENT CONSCIOUS GOE EFFORTS TO RATIONALIZE EGYPTIAN FOREIGN POLICY BY DEVELOPING MORE BALANCED RELATIONS BETWEEN EAST AND WEST. THIS IS DOUBTLESS ONE FACTOR, BUT EGYPT'S CRYING NEED FOR OUTSIDE ECONOMIC ASSISTANCE IS IN OUR JUDGMENT AN EQUALLY PROMINENT REASON. EILTS

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